

December 16, 1914

A meeting of the Board of Public Works was held this day at its office in the Garrett Building, Baltimore, Maryland.

Present: Governor Goldsborough, Comptroller Harrington and Treasurer Vandiver.

Mr. Ray, State Auditor, proffered a request that a copy of Haskins & Sells' criticism of the Auditor's report, be furnished his office with the understanding that the same was not to be used for continuing a controversy that had been disposed of to the satisfaction of the Board, and it was ordered that such a copy be furnished.

The report of the State Auditor was laid before the Board. Upon motion of Comptroller Harrington, seconded by Treasurer Vandiver, the following resolution was passed:

RESOLVED that the audit of the financial condition of all State institutions shall be made by the State Auditor, and that no other accountant be called in to make such audit without the approval of the Board of Public Works, and that it is the opinion of the Board that they cannot control in this matter, institutions only partially supported by State appropriations.

Treasurer Vandiver reported to the Board that he had paid all bills in connection with the Board of the Agricultural College, except those owing to the State and the College; that he had in his hand \$800.00 for distribution, and would not distribute the same without either the authorization of the Trustees of the College or the Legislature of Maryland.

The following letters from Mr. Ogle Marbury and Attorney General Poe were laid before the Board, with reference to the payment of certain expenses of the Agricultural College, amounting to \$23.75:

"December 2, 1914.

Hon. Murray Vandiver,

Treasurer of Maryland,

Annapolis, Md.

Dear Sir:

The Auditor's Account in the matter of the sale of the Maryland Agricultural College was ratified on Tuesday, December 1, 1914. I enclose you herewith two certified copies of this order, one for your use and one for that of the comptroller. If you desire it I

shall be glad to assist you in seeing that the proper parties get the checks for the amounts set out in the audit. One of these checks; namely, that of \$1.50 to S. D. Hall for recording assignment really belongs to me as I have paid Mr. Hall, but I suppose your check should be made to him and I can then get him to endorse it and have him receipt the audit for you.

I am today recording the deed to the State of Maryland.

I have expended out of my own pocket the following amounts which, under the Act of Assembly, I believe can be reimbursed:

Cost of two certified copies of the Auditor's account,	\$2.25
Cost of recording deed,	2.50
U. S. Internal Revenue stamps at \$.50 per \$500 of consideration,	<u>19.00</u>
Total,	\$23.75

If you desire it I shall be glad to take up with the Attorney General the question of how this amount is to be repaid.

Very truly yours,

Ogle Marbury."

"December 4, 1914.

Hon. Murray Vandiver,

Treasurer of Maryland,

Royal Arcanum Building, City.

My dear General Vandiver:

I herewith return the letter from Mr. Ogle Marbury which you left with me this morning.

The expenditures mentioned by him amounting to \$23.75 can, in my opinion, be properly met out of the contingent fund of the Board of Public Works.

Very truly yours,

Edgar Allan Poe."

Upon motion of Gen. Vandiver, seconded by Comptroller Harrington, the said bill of \$23.75 was ordered paid from the contingent fund of the Board of Public Works.

The following letter, received from the Attorney General in answer to the letter written by the Secretary under instructions of the Board at its last meeting, which was as follows, was laid before the Board:

"December 5, 1914.

Hon. Robert P. Graham,
Secretary of the Board of Public Works,
Annapolis, Md.

Dear Sir:

I have yours of the 2nd inst. in reference to the right of the State Treasurer to accept from the Mercantile Trust Company, under Section 118 of Article 23 of the Code, bonds secured by a first mortgage on real estate situated in the State of Maryland. The bonds, but not the real estate securing the bonds, being owned by the Trust Company.

In my opinion, the State Treasurer is legally authorized to accept such bonds.

That part of Section 118 which bears upon this question reads as follows:

"Said Companies may in lieu of said securities, transfer and assign to said treasurer, bonds secured by a first mortgage on real estate situated in the State of Maryland and owned by the Company required by law to make such deposit whenever such bonds may be approved as security by the Board of Public Works."*

The words "owned by the Company" appearing therein should be interpreted, I think, as qualifying the word "bonds" rather than the words "real estate" immediately preceding them.

The manifest object of the Legislature was to afford protection to the creditors and policy holders of the corporations covered by Section 118, in the event of the subsequent insolvency of the companies.

Manifestly, should insolvency occur, a greater protection is afforded by a deposit of bonds secured by a first mortgage on real estate not owned by the depositing company than by a deposit of bonds secured by a first mortgage on real estate owned by the depositing company. It must be admitted that the clause under consideration is ambiguous, but I think such an interpretation should be given to it as will afford the greatest protection to those for whose protection it was passed.

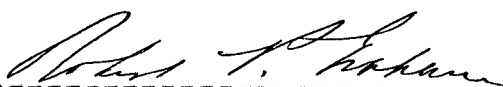
Very truly yours,

-signed- Edgar Allan Poe."

Thereupon by motion of Comptroller Harrington, seconded by Treasurer Vandiver, the following resolution was passed.

RESOLVED that the Board of Public Works authorizes and empowers the Treasurer to accept from the Mercantile Trust Company the First Mortgage Bonds of the Calvert Construction Company, at 90% of their face value, and approves of the same at such valuation as a proper deposit to be made by the said Mercantile Trust Company with the State Treasurer, as authorized and mentioned in the matter of the Attorney General as set forth in these minutes.

There being no further business before the meeting, it was declared adjourned.



Secretary.

